BRIEF

LUMEN BUSINESS 2020

COMPANY: BRITISH AMERICAN TOBACCO

CATEGORY OF BUSINESS CASE: MARKETING

NAME OF THE BUSINESS CASE: Launch of new THP product gloTM devices (2.0 & MINI)

DESCRIPTION OF BUSINESS CASE:

About the company:
We are British American Tobacco, a truly global company, present on over 200 countries around the world with its brands. BAT employs over 50 thousand of employees in more than 50 countries of the world, and for two years in a row, it was named the best global employer on many markets where it operates.

At BAT, we have been satisfying adult consumers, delivering shareholder value and creating valued employment for over a century, since 1902 in fact – we believe our company has more than stood the test of time because we’ve always excelled at anticipating and meeting the preferences of our consumers, adult smokers.

Our heritage – and the foundation of our success – is in cigarettes and we will continue to provide them with high-quality products, marketed responsibly. However, our world is changing. We’re in the most dynamic period of change our industry has ever known. Advances in technology, changes in the way in which society sees smoking and public health awareness are all combining to create a unique opportunity to transform tobacco – we see this as an opportunity, and we are absolutely committed to leading this transformation and this is how we aim to do this.

We’re passionate about transforming tobacco by offering our consumers alternatives to cigarettes that provide the pleasure of smoking and consuming nicotine, but with potentially reduced risks.
About our products:
Our portfolio reflects our commitment to meeting the preferences of today's adult smokers while transforming tobacco with a choice of potentially reduced-risk products.
Our growing range of potentially reduced-risk products includes our vapour and tobacco heating products, and our modern and traditional oral products, which include oral tobacco and nicotine products.

Tobacco heating products (THP)
Tobacco heating products are devices that heat a specially designed tobacco stick, releasing an aerosol containing nicotine and tobacco flavors.
Our flagship tobacco heating product – glo™ – was designed in the UK through a process that involved more than 100 experts across five continents, including scientists, engineers, product designers, tobacco specialists and toxicologists.
glo™ was launched in Japan in December 2016 and we’re pleased with the progress it’s made since then and in its other launch markets.

GOAL:
1 Define product positioning and its differentiation
   • How glo™ should be perceived on the market by the end consumer?
   • How it should be differentiated vs. market competitors’ products?
   • How would you define the image and the identity that glo™ should carry, in order to reach the highest market potential?

2 Define 4 typical consumer group personalities
Segment 4 the most relevant for glo™ consumer target groups and describe their profile - demographic, lifestyle, users’ habits (brand/average daily consumption/user types), consumer comments related to the product characteristics, especially regarding the needs that it should be satisfying etc.

3 Define marketing mix
   • PRICE
     Recommendation based on the market prices and product positioning.
   • DISTRIBUTION/POINT OF SALE – per target group
     Where products should be distributed (consider tobacco products regulation limitations)
   • MARKETING STRATEGY per target group
     This is the focus area, where we need the most creative ideas. The main objective is brand building and creating long term relationship with the consumers (consider tobacco products regulation limitations)
LEGAL FRAMEWORK:

OTHER USEFULL LINKS:

Click me!

FORMAT:
Preferably in PPT or WORD, but not obligatory.

MANDATORY SOLUTION ITEMS:
• Based on your market research, cover all 3 tasks, by providing solid arguments
• Marketing strategy, including detailed communication activity plan

SCORING CHART:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>GRADE</th>
<th>CONTRIBUTION TO OVERALL RATING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity of the solution - all mandatory solution items included</td>
<td>0-5</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Creativity and innovation</td>
<td>0-5</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Applicability of the solution within the local legal frames</td>
<td>0-5</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>0-5</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>